

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

**Marketing Assistance Loans and
Loan Deficiency Payments for
2002 and Subsequent Crop Years
8-LP (Revision 1)**

Amendment 16

Approved: Deputy Administrator, Farm Programs



Amendment Transmittal

A Reasons for Amendment

Subparagraph 2 A has been amended to add that for each loan commodity, COC shall document the beginning of harvest in the COC minutes.

Subparagraph 22 B has been amended to clarify procedures for preparing maturity notification letters. County Offices are no longer required to send the notification letters.

Subparagraph 126 E has been amended to clarify eligibility policies for EM commodities.

Subparagraph 126 G has been amended to clarify double crop acreage and commodity eligibility policies.

Subparagraph 131 G has been amended to remove CCC-709 and replace it with CCC-633 EZ, page 1.

Subparagraph 132 H has been amended to clarify the procedures when quantities requested for loan and LDP are greater than 110 percent of the COC maximum established yields.

Paragraph 136 has been amended to add that before a loan or LDP is issued, CCC-770 MAL or CCC-770 LDP/eLDP must be completed.

Subparagraph 308 B has been amended to remove CCC-633 LDP and replace it with CCC-633 EZ, page 2, 3, or 4, as applicable.

Subparagraph 333 C has been amended to clarify the LDP rate for fed commodities.

Subparagraph 401 C has been amended to change letter to mail.

Amendment Transmittal (Continued)

A Reasons for Amendment (Continued)

Subparagraph 411 B has been amended to emphasis that CCC-677 or CCC-678 must be signed before the loan proceeds are disbursed.

Subparagraph 413 B has been amended to clarify when an additional disbursement should be made with regards to previously deducted warehouse storage charges.

Subparagraph 422 B has been amended to clarify existing procedures for adjusting loan rates for certified and measured farm-stored loans when the test weight is on the:

- crop year specific schedule of premiums and discounts
- additional schedule of discounts.

Subparagraph 503 B has been amended to require State Offices to annually spot check one loan **or** one LDP for each commodity inspector.

Subparagraph 952 H has been amended to include additional policies about CCC-697's received by FAX.

Exhibit 2 has been amended to:

- add the definition of "delinquent Federal nontax debts"
- remove the definition of "risk of loss".

Exhibit 47 has been amended to include the revised test weight factors for pulse crops.

Note: APSS will be modified to include the test weight factors for pulse crops on or before June 8, 2007.

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2 Administrative Responsibilities (Continued)

A Responsibilities (Continued)

IF the administrative level is the...	THEN...
County Office	<p>COC shall:</p> <ul style="list-style-type: none"> determine policy according to this handbook and guidance from the State Office *--for each loan commodity, document the beginning of harvest in the COC minutes--* administer the programs in the county through CED.
	<p>the County Office shall:</p> <ul style="list-style-type: none"> determine that: <ul style="list-style-type: none"> a producer is eligible for loans and LDP's, according to Part 2, Section 1 the commodity is eligible for loans and LDP's, according to Part 2, Section 2 the storage is eligible, according to paragraph 424 for farm-stored loans and paragraph 443 for warehouse-stored loans the quantity offered for loan and LDP is reasonable based on producer's: <ul style="list-style-type: none"> share of the acreage planted to the commodity herd size of sheep or goats, according to paragraph 1559 loan computations and disbursements and LDP computations and payments are based on handbook procedures ensure that 2nd party reviews of loans and LDP's are completed according to subparagraph 136 A the quantity certified does not include quantities delivered to CMA's

2 Administrative Responsibilities (Continued)

A Responsibilities (Continued)

IF the administrative level is...	THEN...
County Office (Continued)	<ul style="list-style-type: none"> • annually publicize provisions of loan and LDP programs before: <ul style="list-style-type: none"> • the beginning of each crop year • making loans and LDP's for the current crop year. <p>Note: At a minimum, publicity shall include:</p> <ul style="list-style-type: none"> •*--a handout or newsletter mailed or e-mailed to all eligible--* producers before harvest begins for the first crop eligible for loans or LDP's • beneficial interest requirements • at the time the loan or LDP is made, a brief but complete explanation of the producer's required actions • a reminder to producers: <ul style="list-style-type: none"> • of the administrative actions that apply for loan and LDP violations • that it is the producer's responsibility to maintain the quality of the commodity in farm storage through the term of the loan •*--final loan availability dates.--*

21 Bankruptcy Cases (Continued)

B State Office Action

State Offices shall:

- inform regional attorney of the bankruptcy filing
- monitor bankruptcy cases with the regional attorney's assistance
- follow advice of the regional attorney with respect to acceptance of repayment or before accepting delivery of loan collateral
- advise regional attorney of all legal notices received pertaining to bankruptcy proceedings.

C Bankruptcy Proceedings

State or County Office employees shall **not** attend bankruptcy proceedings, unless requested by the OGC representative.

22 Maturity Notification to Producers

A Preparing Lists of Maturing Loans

County Offices shall print lists of maturing loans:

- at least 45 calendar days, but not more than 60 calendar days, before maturity
- according to 12-PS, Part 14, Section 5.

B Preparing Maturity Notification Letters

County Offices:

- shall use the Price Support Query to print out loan maturity notification letters, according to 12-PS, subparagraph 1489.5
- *--may send the applicable notification letter, as printed and provided in subparagraphs E through G:
 - at least 30 calendar days, but not more than 60 calendar days, before maturity--*
 - to applicable producers advising of the loan maturity date and the applicable options available according to subparagraph D
 - inform producers of the additional maturity information according to subparagraph C
- for outstanding honey loans, shall see 2-LP Honey, paragraph 16.

126 Eligible Commodities (Continued)**D HM Commodities**

HM commodities are defined as corn and grain sorghum with moisture levels exceeding applicable standard moisture levels. HM commodities:

- below the set maximum moisture level shall:
 - be eligible for nonrecourse loans and LDP's
 - be adjusted to reflect CCC-established moisture levels for nonrecourse loans and LDP's
 - apply shrink factors in Exhibit 4
- exceeding the maximum acceptable moisture level are eligible for recourse loans according to paragraph 472.

STC shall annually determine the maximum acceptable moisture levels.

E EM Commodities

*--EM commodities are defined as loan commodities with moisture levels that exceed the applicable standard moisture levels, according to 2-LP Grains and Oilseeds, and are at or below the STC-established maximum moisture level for the applicable loan commodity.

EM commodities:

- are eligible for nonrecourse loans and LDP's, if the quantity is adjusted to reflect the applicable standard moisture level as provided in 2-LP Grains and Oilseeds

Note: The applicable shrink factors shall apply when adjusting the quantity for excess moisture, according to subparagraph 430 C and Exhibit 4.--*

- exceeding the maximum acceptable moisture levels are eligible for recourse loans * * *, according to Part 4, Section 4.

126 Eligible Commodities (Continued)**F Low Quality Commodities**

Low quality commodities include:

- sample grade commodities
- commodities that do not meet warehouse-stored loan standards excluding moisture
- commodities that have a test weight discount on the additional schedule of discounts.

Low quality commodities:

- are eligible for nonrecourse loans; however, the loan rate is 20 percent of the applicable based county loan rate; no other discounts will be applied to the nonrecourse loan disbursed at the reduced loan rate
- must be repaid at principal plus interest
- delivered to CCC in settlement of a non-recourse outstanding loan, the settlement rate is zero.

***--G Subsequent Crop Acreage**

Subsequent crops produced and harvested on acreage, that previously produced a loan eligible commodity, are eligible for MAL and LDP if STC determines that the subsequent crop when produced and harvested would meet the U.S. standards for the applicable commodity. The subsequent crop produced and harvested must be reported on the annual acreage report.--* For crops that are harvested as silage or hay, COC shall base the reasonable yield on farming practices and other pertinent information that may impact the yield determination.

127 Loan and LDP Final Availability Dates**A Availability**

[7 CFR 1421.7] Loans and LDP's are available to eligible producers in any area in the United States and Puerto Rico where the applicable commodity is produced.

B Requesting Loans and LDP's

Request for loans and LDP's shall be made on or before the final availability date for the respective commodities.

131 Reviewing Contracts (Continued)**F Verbal Contract**

If the producer certifies to a verbal contract, the producer must enter the terms and conditions of the verbal contract in the space provided on the certification, according to subparagraph B.

G Hybrid Seed Contract Review

If a producer submits a hybrid seed contract for review, County Offices shall maintain a copy for file purposes only and are not required to review for a beneficial interest determination for producer eligibility.

Producers under hybrid seed contracts will be considered to have lost beneficial interest in the seed, the earlier of the date of:

- delivery to the hybrid seed company
- receipt for any payment of the seed.

For producers under a hybrid seed contract and an advance payment is received before harvest of the commodity, the producer:

- *--must file CCC-633 EZ, page 1 before harvest of the hybrid seed--*
- will receive LDP based on the LDP rate in effect on the date of the advance payment for the hybrid seed
- must provide production evidence for the hybrid seed advance payment.

LDP shall not be issued until the hybrid seed is harvested.

H Addendum

An addendum to an option to purchase or sales contract to amend any contract provision, including removing any restrictive clause, must be agreed to by all parties.

For CCC to consider the addendum valid, it must be executed **before** the earlier of the following:

- harvest of the commodity
- date beneficial interest is considered to have been lost.

131 Reviewing Contracts (Continued)**I Canceling Contract**

An option to purchase or a sales contract entered into may be canceled at any time **before** harvest of the commodity if beneficial interest has not been lost.

If the option to purchase or sales contract to be canceled was previously provided to the County Office, a copy of the following must be provided to the County Office:

- the canceled option to purchase or sales contract, as applicable, with the signatures of all parties canceling the contract
- any subsequent option to purchase or sales contract.

J State Office Action

State Offices shall:

- review options to purchase and sales contracts submitted by County Offices, including those submitted for which the County Office gave the producer a written opinion

Note: If the written opinion provided to the producer by the County Office is inaccurate, **immediately** notify the County Office.

- determine whether the producer retains beneficial interest and the date the producer would be considered to have lost beneficial interest
- for any option to purchase or sales contract on which PSD's concurrence with the State Office's preliminary determination is requested, FAX a copy of the contract for PSD review
- advise the County Office of PSD's determination when notified by PSD of the date beneficial interest would be considered to have been lost
- send to all County Offices and applicable States the following:
 - a copy of the option to purchase or sales contract, as applicable
 - a copy of the decision for reference.

132 Eligible Quantity (Continued)**G STC Review**

STC or designee shall:

- annually review 25 percent of estimate yields established according to this paragraph
- concur with COC that yields are reasonable based on documentation used.

When reviewing COC-established yields for County Offices that border County Offices in a different State, STC's or the designee should request from the bordering County Office through the applicable State Office, a copy of the applicable COC-established yields. STC's use this information when concurring with COC's that the yields are reasonable.

Note: A 5-year average of NASS yields may be used as a guide when establishing yields.

H Questionable or Commingled Production

--If the quantity pledged as collateral for loan or requested for LDP is greater than 110 percent of the COC maximum established quantity (COC-established yield times the reported acreage), do not approve the loan or LDP.--

If the producer is not satisfied with the maximum quantity determined by COC, give the producer appeal rights to COC.

During the appeal process, COC may approve loan and LDP quantities exceeding the ***--COC maximum established quantity if:--***

- the producer provides actual production evidence according to paragraph 535 for the crop year and other documentation to support the yield, such as fertilizer
- COC determines the quantity reasonable for the crop year based on the producer's ***--farming practices, production evidence, and other documentation provided.**

COC shall not delegate authority to approve quantities exceeding 10 percent of the ***--COC-established yield.**

132 Eligible Quantity (Continued)**I Determining Ineligible Quantity**

A quantity of a commodity is **not** eligible for loan if:

- it was previously placed under loan and redeemed with cash at the CCC-determined value
- *--LDP benefits have been requested or made on the quantity.

Note: LDP quantities requested on CCC-633 EZ, Page 2 are ineligible to be pledged for loan.--*

J Denied LDP Because of Payment Limitation

Commodities are eligible for nonrecourse loan **if** LDP's were requested and denied because of payment limitation only.

135 Loans Ineligible for Delivery or Forfeiture (Continued)

D Insufficient Value or Excess Sales Price

If the settlement value was insufficient to clear the amount due on the loan, send the producer the notification letter in subparagraph 23 C.

If the sales price exceeds the amount needed to repay principal and charges plus interest on the loan, the excess shall be:

- for recourse loans, refunded to the producer
- for nonrecourse loans, retained by CCC.

136 Eligibility Review

A Review

A second party review of eligibility requirements for loan and LDP application shall be performed before disbursement. Reviewer must initial loan or LDP application when review *--is completed. Before a loan or LDP is issued, CCC-770 MAL or CCC-770 LDP/eLDP must be completed according to paragraph 25.--*

137-299 (Reserved)

308 Completing CCC-700 and CCC-700A (Continued)

B Completing CCC-700

Complete CCC-700 according to this table.

Circle Number	Instructions
1	Enter contact producer's name and mailing address.
2	Enter the applicable LDP type. Examples: FS CER LDP, for farm-stored and warehouse-stored certified. FS MEA LDP, for farm-stored measured. WS LDP, for warehouse-stored. LS LDP, for load summary and scale tickets. FD LDP, for field direct.
3	Enter State and county code and farm number.
4	Enter manually assigned 90000 series number, as applicable.
5	Enter crop year and commodity.
6	Enter applicable class code for the commodity.
7	Enter date payment is made to the producer.
8 through 10	Leave blank.
11	*--Enter LDP quantity from CCC-633 EZ, page 2, 3, or 4 for payment, as--* applicable.
12	Leave blank.

308 Completing CCC-700 and CCC-700A (Continued)**B Completing CCC-700 (Continued)**

Circle Number	Instructions
13	Enter LDP amount applicable to the LDP quantity, which is LDP quantity times the applicable LDP rate.
14	Leave marketing assessment and origination fee blocks blank.
15	Enter the net LDP payment available.
16 through 18	Leave blank.
19	Enter the applicable LDP rate. This is the CCC-determined value.
20	Leave blank.
21	Enter the quantity from CCC-633 LDP or quantity requested for field direct LDP's.
22	Enter the result of circle number 19 times circle number 21.
23	Enter producer's name, ID number, and share applicable to LDP. Indicate if quantity is certified or based on evidence.
24	Obtain CCC representative's approval signature and date.
25	Enter County Office's name, address, and telephone number. Provide a copy to the contact producer.

Section 3 Low Quality Commodities**333 Eligibility for LDP****A Commodity Definitions**

Commodities with quality factors falling to the additional schedule of discounts in the applicable 2-LP handbook are considered “low quality” and are eligible for LDP.

B LDP Request

Request LDP’s on CCC-633 EZ.

C LDP Rate

Use the LDP rate applicable to the date of:

- request for basic LDP’s
- delivery for field direct LDP’s
- *--feeding for commodities fed during harvest.--*

D Production Evidence

Production evidence is required according to Part 5, Section 3, when producers are selected for spot check.

334-344 (Reserved)

401 Requesting Loans**A Where Producers Request Loans**

[7 CFR 1421.104] Producers shall request loans through the County Office that maintains the farm program records.

If the producer farms in more than 1 county, the County Office **first** contacted shall:

- accept requests and process loans
- contact other County Offices when either of the following applies:
 - the request covers eligible production from more than 1 farm and the farm program records are kept in more than 1 County Office
 - loans were received from more than 1 County Office
- send a copy of the loan documents to the applicable County Office.
- *--complete CCC-770 MAL before approving the loan disbursement.--*

B Where CMA's Request Loans

CMA's shall request loans at a CMA service County Office identified in 1-CMA, Exhibit 7.

401 Requesting Loans (Continued)**C When to Request Loans**

Requests for loans:

•*--may be received by mail, filed in person, or by FAX--*

- shall be requested no later than the final loan availability date, according to subparagraph 127 C

Note: When the final loan availability date falls on a nonworkday, the final date shall be extended to the next workday.

- shall be processed and disbursed through APSS as soon as possible, according to the applicable commodity handbook
- shall be handled according to the Prompt Payment Act requirements in paragraph 16 and 61-FI

Note: County Offices shall **not** honor requests from producers to delay disbursements on completed applications.

- shall be requested **before** beneficial interest is considered lost; see paragraph 129
- can be canceled or revised **before** the loan is disbursed.

Farm-stored loan requests can be electronically transmitted to the County Office where the farm records are maintained, if the applicable producer received electronic access credentials through eAuthentication. Electronically transmitted loan requests are processed in the APSS in the normal manner.

D Joint Loans

Loans may be disbursed jointly if the commodity is either of the following:

- jointly owned
- stored in the same storage structure.

411 Disbursing Loans**A Preparing CCC-677 or CCC-678**

Prepare CCC-677 or CCC-678 in APSS according to 12-PS. See paragraph 490 for manually prepared loan documents.

All commodity loans must be disbursed through APSS. See 1-FI, paragraph 25 and 1-CM, paragraph 813 about manually issued CCC-184's.

Disburse loan proceeds as directed by each producer who has a share in the loan after offset, if applicable, unless CCC-679 indicates that the remaining disbursement is to be issued jointly to the lienholder.

B Approving CCC-677 or CCC-678

Approve CCC-677 or CCC-678 for CCC when:

- all lien waivers, if applicable, are obtained
- for farm-stored loans, UCC-1's are filed
- all required borrowers' signatures are obtained
- applicable CCC-184's are prepared.

When CCC-677 or CCC-678 is approved, the person signing for CCC shall have determined that the producer and the commodity are eligible.

The approval date for CCC shall be the loan disbursement date. All commodity loan *-disbursements shall be processed through APSS. The properly completed CCC-677 or CCC-678 must be signed before the loan can be disbursed.--*

Note: The disbursement date shall not be later than 30 calendar days after the final date of availability.

C Denial Notification

See paragraph 402 for notifying producers when loan benefits are denied.

411 Disbursing Loans (Continued)**D Distributing Documents**

Provide producers with the following:

- copy of CCC-677 or CCC-678
- transaction summary report generated by APSS

Note: The transaction summary report provides written notification to the producer of the loan maturity date and interest rate.

- CCC-601. See Exhibit 15.

E Filing Documents

File in:

- locked, custody fireproof file, the following **original** documents:
 - signed and approved CCC-677 or CCC-678
 - for warehouse-stored loans, warehouse receipts and, if applicable, KC-350
 - transaction summary report
- producer's loan folder, **copies** of the following documents:
 - signed and approved CCC-677 or CCC-678
 - for warehouse-stored loans, warehouse receipts and, if applicable, KC-350
 - transaction summary report.

See 25-AS.

412 COC Approval of Certain Farm-Stored Loans

A COC Approval Required

[7 CFR 1421.4] Cases shall be referred to COC before approving a farm-stored loan when an otherwise eligible producer has:

- been convicted of a criminal act in connection with the Loan and LDP Program
- made a misrepresentation in connection with the Loan and LDP Program
- unlawfully disposed of or willfully converted CCC loan collateral
- caused the County Office difficulty in settling a previous loan.

COC shall approve a loan only when satisfied that CCC's interests are fully protected.

B Denial Notification

See paragraph 402 for notifying producers when loans are denied.

413 Additional Disbursement Guidelines

A Farm-Stored Loans

For farm-stored loans, follow this table when additional disbursements are available.

IF a...	THEN...
request is made for an increase in loan quantity only	an additional disbursement for an increase in the loan quantity shall not be authorized.
Example: Certified loan quantity that is later measured or weighed.	During the loan availability period, producers may request a separate loan or LDP for quantities exceeding the initial loan quantity.
farm-stored commodity is transferred to an approved warehouse for storage	a disbursement for additional quantity may be available. See Part 8, Section 2.

B Warehouse-Stored Loans

If requested by the producer, an additional disbursement for money only may be processed for an:

- error resulting in underdisbursement
- increase in loan rate.

An additional disbursement for money only shall be processed:

- before loans are repaid at a market loan repayment rate for:
 - errors resulting in underdisbursement
 - ~~previously deducted warehouse storage charges that have now been paid for the applicable storage period~~
- when the producer provides proof that warehouse storage charges have been paid for a period for which storage was previously deducted.

Process additional disbursement, if applicable, according to 12-PS, Part 4.

Section 2 Farm-Stored Loans

422 Nonrecourse Loan Request and Loan Rates

A Requesting Farm-Stored Loans

[7 CFR 1421.105] When requesting farm-stored loans, producers shall:

- for certified loans, certify the quantity in farm storage on CCC-666 according to paragraph 426
- for measured loans:
 - complete CCC-666 according to paragraph 426
 - request measurement service according to paragraph 427 and Exhibit 7.

B Loan Rates Adjusted for Test Weight and Sample Grade Commodities

Use the loan rate for the county where the commodity is stored to calculate the loan amount
 *--for certified or measured farm-stored loans. When the test weight discount is on the:

- crop year specific schedule of premiums and discounts, adjust the loan rate for the--*
higher of the discount, as applicable, for test weight or grade based on test weight

Note: See 2-LP Grains and Oilseeds for test weight and grade discounts.

- *--additional schedule of discounts, adjust the loan rate to 20 percent.--*

Note: Do not apply any additional discounts.

Sample grade commodities and low quality commodities as defined in subparagraph 126 F that do not meet warehouse-stored loan standards are eligible for nonrecourse loans. The loan rate shall be 20 percent of the loan rate for the county where the commodity is stored to calculate the loan amount.

422 Nonrecourse Loan Request and Loan Rates (Continued)

C Loan Rate for Commodities Harvested as Other Than Grain

The loan rate shall be 30 percent of the loan rate for the county where the commodity is stored to calculate the loan amount for certified or measured farm-stored loans on commodities harvested as other than grain.

D Contaminated Commodities

The loan rate shall be 10 percent of the loan rate for the county where the commodity is stored to calculate the loan amount for certified or measured farm-stored loans on contaminated commodities exceeding acceptable levels according to paragraph 133.

503 Commodity Inspector Spot Check Review**A County Office Responsibility**

County Offices shall ensure that commodity inspectors are performing their duties properly, including completing and signing forms used to record spot check results.

B State Office Responsibility

State Office representatives shall annually spot check commodity inspectors' work in each County Office according to the following table.

Handle single and combined County Offices in the same manner.

Step	Action
1	*--Check at least one loan or one LDP for each commodity inspector.--* Check more loans and LDP's for an inspector if the State Office representative believes that additional checks are warranted.
2	To determine accuracy of employee's work, for each loan or LDP spot-checked: <ul style="list-style-type: none"> • draw a sample to determine the quality of the stored commodity • measure the structure and determine the quantity.
3	Complete a new CCC-677-1, according to Exhibit 7, to record spot check results. Do not use the same CCC-677-1 completed by the commodity inspector.
4	Compare spot check results with information recorded by the commodity inspector, and resolve any differences.
5	Record the quantity determined in step 2 on CCC-677-1, item 30.

504-514 (Reserved)

952 Locking-In Repayment Rates**A Locking-In on CCC-697**

Producers may lock in a repayment rate for 60 calendar days.

Lock-in rates:

- can be requested on disbursed loans **only**
- cannot be requested within 14 calendar days of loan maturity.

Loans that have been requested but not disbursed are not eligible for lock-in repayment requests.

B Expiration

CCC-697 will expire on the earlier of:

- 60 calendar days from date of approval
- 14 calendar days before loan maturity.

If the expiration date falls on a nonworkday, the expiration date shall be the next workday.

C Applicability

--CCC-697 is applicable to any farm-stored or warehouse-stored loan collateral, except cotton.--

D Requests

The requests to lock in a repayment rate may only be completed 1 time for a designated quantity. The designated quantity may be:

- all quantity under loan
- a specific loan quantity.

952 Locking-In Repayment Rates (Continued)**E Signatures and Initials**

All signatures and initials must be obtained before approving CCC-697.

The contact producer must initial all blocks under CCC-697, Part B before approval.

F Effective Date

The locked-in rate is the rate in effect on the date CCC-697 is approved according to subparagraph H.

G Calculating CCC-Determined Value

See Section 7 to calculate the CCC-determined value used to determine the applicable repayment rate.

H Approving CCC-697

COC, or designee, shall approve CCC-697 when requests are complete.

Requests are complete when all initials and signatures have been obtained and CCC-697 has been received in the County Office.

If the County Office cannot approve CCC-697 on the date the completed CCC-697 is received in the County Office, County Office shall:

- date stamp CCC-697
- use the repayment rate in effect on the date CCC-697 is received in the County Office.

For CCC-697 FAXed requests, the repayment rate is the rate in effect when CCC-697 is received with the last signature, in the County Office, providing CCC-697 is completed correctly.

Example: If the rate is announced at 7 a.m. e.t., and the FAXed CCC-697 is received at 5 a.m. e.t., the repayment rate is the rate in effect on the previous day.

--**County Offices, who have FAX machines that are not equipped with a date and time stamp, shall require the producer to submit documentation to verify the date and time of the FAXed transmission of CCC-697. A FAX transmittal record may serve as acceptable documentation. Documentation indicating an incomplete transmission occurred is not considered valid.**--

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Forms (Continued)

Number	Title	Display Reference	Reference
CCC-699	Reconcentration Agreement and Trust Receipt	828	827, 829-831
CCC-700	Loan Deficiency Payment Statement	308	Ex. 6
CCC-700A	Loan Deficiency Payment Statement Continuation	308	Ex. 6
CCC-709	Direct Loan Deficiency Payment Agreement		Text, Ex. 25
CCC-709 PELT	Direct Unshorn Pelt Loan Deficiency Payment (LDP) Certification and Application	1544	
CCC-770 LDP/eLDP	Loan Deficiency Payment (LDP) and eLDP Program Review Checklist	25	136, 301
CCC-770 MAL	Marketing Assistance Loan (MAL) Processing Checklist	25	136, 401
CCC-930	AMS Inspection Certificate of Quality Factors for Wool and Mohair	Ex. 80	1575, 1577
FAS-1007	Maintenance Delivery Task Description		535
FSA-211	Power of Attorney		3, 129, 970, 992
FSA-321	Finality Rule and Misaction/Misinformation		518, 519, 1556, 1557
FSA-409	Measurement Service Record		304, 307, 426, 427, Ex. 6, 13
FSA-578	Report of Acreage		101, 373, 374, 536, 1516
KC-232	Notice of Approval or Change in Status of Storage Agreement or Contract	700	445, 701
KC-350	Warehouse Operator's Supplemental Certificate		411, 443, 446, 448, 449, 451, 815, 971, 1018, 1100, 1101, Ex. 13

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Forms (Continued)

Number	Title	Display Reference	Reference
KC-350 (Grain)	Warehouse Operator's Supplemental Certificate		449
SF-LLL	Disclosure of Lobbying Activities	17	Ex. 6, 13
SF-LLL-A	Disclosure of Lobbying Activities Continuation Sheet	17	
UCC-1	Financing Statement		403, 404, 411, 423, 426, 1527
UCC-1F	Effective Financing Statement		426, 1527
WA-302	Examination Report		447

Reports, Forms, Abbreviations, and Redelegations of Authority (Continued)

Abbreviations Not Listed in 1-CM

The following abbreviations are not listed in 1-CM.

Approved Abbreviation	Term	Reference
AGI	adjusted gross income	105, 300, 309
ATHM	acid treated high moisture (applicable to acid treated high moisture shelled corn and grain sorghum loans)	Text, Ex. 2
BCD, IMB	Bulk Commodities Division, Inventory Management Branch, KCCO	702, 805, 1000, 1026, 1057, 1101 Ex. 38
CAS	Corporate Affairs Staff	17
CBS	Concentration Banking System	918
CDP	Crop Disaster Program	373
DCIA	The Debt Collection Improvement Act of 1996	101, Ex. 2
DMA	Designated Marketing Association	301.5
EFT	electronic funds transfer	300, 308, 927, 928
EM	excess moisture	126, 357, 522
F.O.B.	free on board	131, 1059, 1060, 1062
FOD, CMB	Financial Operations Division, Cash Management Branch, KCFO	1202
FOR	farmer-owned reserve	Ex. 4
FRB	Federal Reserve Board	900
HM	high moisture (applicable to high moisture barley, shelled corn, and grain sorghum loans)	Text, Ex. 2, 7
IWTO	International Wool Textile Organization	1509, 1510
lbs.	pounds	Ex. 47
MAL	Marketing Assistance Loan	Text
MOU	Memorandum of Understanding	407
PCP	posted county price	5, 985
RCP	regionally calculated price	985
Schlumberger	Schlumberger Estimated Commercial Top and Noil	1509, 1575
UCC	Uniform Commercial Code	414, 423
UGRSA	Uniform Grain and Rice Storage Agreement	994, 1531
USWA	United States Warehouse Act	4, 447
WAMLAP	Wool and Mohair Market Loss Assistance Program	1535

Reports, Forms, Abbreviations, and Delegations of Authority (Continued)

Delegations of Authority

Delegation of authority is provided in paragraph 3.

Definitions of Terms Used in This Handbook (Continued)**Conversion**

Conversion is the borrower removing a commodity under loan for sale or other use, with or without authorization.

Crop Year

The crop year for a commodity is the 12-month period that:

- begins on the first day of the eleventh calendar month before the month in which the final availability date for the applicable commodity falls
- ends on the final availability date for the applicable commodity.

Customary Delivery Point

The customary delivery point is the shipping point, location, except for the producer's or neighbor's farm, or warehouse (elevator), as determined by the County Office, where the producer would normally deliver the commodities if sold on the market.

Deficiency

A deficiency is the amount due CCC when the settlement value of a farm-stored loan is less than the outstanding loan value.

***--Delinquent Debt Status**

Delinquent debt status, for the purpose of barring delinquent debtors from obtaining additional Federal loans or loan insurance or guarantees, is any of the following.

- **For farm program debts**, the debt is in delinquent status 90 calendar days after the date of the first demand letter. The notification is **not** the first demand letter.
- **For Farm Storage Facility Loans**, the debt is in delinquent status if not paid in full within 90 calendar days after the due date; however, if the installment principal balance is less than \$25, the farm storage facility loan is **not** considered delinquent.

Note: Farm Loan Managers are responsible for informing County Office personnel of any farm loan delinquent debts, as applicable.--*

Definitions of Terms Used in This Handbook (Continued)

*--Delinquent Federal Nontax Debts

DCIA provides that a person owing a delinquent Federal nontax debt to the Federal Government is ineligible for Federal financial assistance, including direct loans (other than disaster loans) or loan insurance or guarantees.

DCIA defines delinquent Federal nontax debts as, but not limited to, the following:

- Federal:
 - unpaid loans
 - overpayments
 - duplicate payments made to Federal salary or benefit payment recipients
 - misused grant funds
 - unpaid fines, penalties, or fees assessed by Federal agencies
- child support.--*

Denied Market Gain

The denied market gain is the amount of market loan repayment or LDP determined ineligible because:

- percent of cropland or permitted entity share factor is less than 1
- payment limitation will be exceeded.

Eligible Producer

An eligible producer is a person or entity that:

- has complied with annual program requirements according to paragraph 128 and including:
 - reporting acreage for applicable crops, according to 2-CP
 - completing AD-1026 according to 6-CP
 - completing CCC-502 according to 1-PL
 - meeting CCC-526 provisions according to 1-PL for 2003 through 2007 crop year.
- has a beneficial interest in the eligible commodity for which a loan or LDP is requested
- shares in the risk of producing the applicable commodity.

Definitions of Terms Used in This Handbook (Continued)**Eligible Producer (Continued)**

The person or entity may be any of the following:

- landowner
- landlord or waterlord
- tenant
- sharecropper.

Entity

An entity is:

- an undivided interest in a commodity that was produced for the individual members by the entity
- a divided interest in a commodity that is stored commingled with a commodity produced by 1 or more other entities or individuals.

Inadvertent Removal or Disposition

Inadvertent removal or disposition is the accidental removal or disposition of mortgaged collateral without negligence on the part of the producer.

Incorrect Certification

Incorrect certification is considered a violation and is either of the following:

- certifying a quantity of a commodity for the purpose of obtaining a farm-stored or warehouse-stored commodity loan or LDP exceeding the quantity eligible for loan or LDP
- making any fraudulent representation with respect to obtaining loans or LDP's.

Inspect

Inspect is to visually examine the commodity and storage structure to determine the suitability of the structure and storability of the commodity.

Intentional Removal or Disposition

Intentional removal or disposition is the deliberate removal or disposition of loan collateral.

Definitions of Terms Used in This Handbook (Continued)**Loan Deficiency Payments (LDP's)**

LDP's are payments made to producers who, although eligible to obtain a CCC commodity loan, agree to forgo the loan in return for a payment on the eligible commodity.

The LDP amount is the difference between the county loan rate and CCC-determined value for the applicable commodity or class of commodity times the eligible quantity.

Market Gain

Market gain is the difference between the loan principal amount and CCC-determined value.

Measure

Measure is to obtain storage structure dimensions, test weight, and if applicable, moisture, during a spot check or measurement service request to determine quantity of a commodity in a storage structure.

Measured Quantity

Measured quantity is the measured volume of a commodity in a storage structure:

- converted to bushels or hundredweight
- adjusted by a test weight and pack factor or, for oilseeds except soybeans, test weight factor
- if applicable, adjusted for moisture shrink.

Misaction/Misinformation

[7 CFR 718.8] Misaction/misinformation is performance rendered in good faith based upon action of, or information provided by, an authorized COC or STC representative.

Nonrecourse Loan

A nonrecourse loan is a loan for which the commodity offered as collateral for the loan meets the quality eligibility requirements, according to the applicable 2-LP and may, therefore, be delivered or forfeited to CCC, at loan maturity, in satisfaction of the loan indebtedness.

Option to Purchase

An option to purchase is an agreement allowing the buyer, at the buyer's option, to enter into a contract at a later date to buy a commodity. The option does not give the buyer any interest in the commodity and expires at a specified time.

Definitions of Terms Used in This Handbook (Continued)**Overdisbursement**

An overdisbursement is the amount of price support loan received by a producer exceeding the amount the producer is entitled to receive.

Overpayment

An overpayment is the amount of LDP received by a producer exceeding the amount the producer is entitled to receive.

Public Warehouse

A public warehouse is any elevator, seed house, feed store, or other structure for which any of the following apply:

- under a storage agreement with CCC, such as UGRSA
- State or Federally licensed to warehouse agricultural commodities
- insures the commodity stored regardless of the commodity ownership
- receives compensation for storage based on the quantity stored, such as per bushel, hundredweight, etc.

Receivable

A receivable is a dollar amount determined to be due and payable to CCC immediately upon demand.

Reconcentration

Reconcentration is the movement of warehouse-stored loan collateral from 1 warehouse storage point to another.

Recourse Loan

A recourse loan is a loan for which the commodity offered as collateral does not meet the quality eligibility requirements according to the applicable 2-LP, and:

- may not be delivered or forfeited to CCC in satisfaction of the loan indebtedness
- must be repaid in full on or before the loan maturity date.

Definitions of Terms Used in This Handbook (Continued)**Recourse Loan (Continued)**

The following are considered recourse loans:

- HM and ATHM corn and grain sorghum loans
- acquired grain for HM corn or grain sorghum loans
- distress loans on any commodity that is not stored in eligible storage
- any commodity otherwise eligible for nonrecourse loan, but does not meet the quality eligibility requirements according to the applicable 2-LP.

Representative Sample

A representative sample is a composite sample that is representative of the entire quantity.

* * *

Spot Check

Spot check is to verify measurements, quantity, storability, and sanitary conditions of loan collateral.

Title to the Commodity

A producer may be considered to have title to the commodity if the producer has not sold or delivered the commodity, including the delivery of warehouse receipts.

Transfer

Transfer is the physical movement of a quantity of the commodity pledged as collateral for an outstanding CCC loan, such as farm-to-warehouse transfers.

Transferred Loan Quantity

The transferred loan quantity is the loan quantity liquidated from the originating farm- or warehouse-stored loan.

Unapproved/Unlicensed Warehouses

Unapproved/unlicensed warehouses mean warehouses that are not CCC-approved or Federally or State licensed to store and issue negotiable warehouse receipts for commodities physically delivered or stored in the warehouses, such as but not limited to dairy, feedlot, pit, ethanol plant, feed mill, or wool pool.

***--Test Weight and Pack Factor for Pulse Crops**

A Whole Dry Peas and Lentils

Use the following test weight and pack factors to determine the measured quantity for dry peas.

Test Weight	Less Than 255 Sq. Ft 18' Diameter or Less	255 Sq. Ft. to 461 Sq. Ft 21' & 24' Bins	462 Sq. Ft. to 767 Sq. Ft. 27' & 30' Bins	768 Sq. Ft. to 1384 Sq. Ft. 33' & 39' Bins	1385 Sq. Ft. to 2289 Sq. Ft. 42' & 51' Bins	Over 2290 Sq. Ft. 54' Bins & Over
42.0	0.762	0.773	0.783	0.809	0.826	0.848
42.5	0.770	0.781	0.792	0.818	0.835	0.857
43.0	0.778	0.789	0.800	0.826	0.843	0.865
43.5	0.786	0.797	0.808	0.834	0.851	0.873
44.0	0.794	0.805	0.816	0.842	0.859	0.881
44.5	0.802	0.813	0.824	0.850	0.867	0.889
45.0	0.810	0.821	0.833	0.858	0.875	0.897
45.5	0.818	0.829	0.841	0.866	0.883	0.905
46.0	0.826	0.837	0.849	0.874	0.891	0.913
46.5	0.834	0.845	0.857	0.882	0.899	0.921
47.0	0.841	0.853	0.865	0.890	0.907	0.929
47.5	0.849	0.861	0.873	0.898	0.915	0.937
48.0	0.857	0.869	0.881	0.906	0.923	0.945
48.5	0.865	0.877	0.889	0.914	0.931	0.953
49.0	0.872	0.884	0.897	0.922	0.939	0.961
49.5	0.880	0.892	0.905	0.930	0.947	0.969
50.0	0.888	0.900	0.913	0.938	0.955	0.977
50.5	0.895	0.908	0.920	0.947	0.963	0.985
51.0	0.903	0.915	0.928	0.954	0.971	0.994
51.5	0.910	0.923	0.936	0.963	0.979	1.002
52.0	0.918	0.931	0.944	0.970	0.987	1.010
52.5	0.925	0.938	0.952	0.978	0.995	1.018
53.0	0.933	0.946	0.959	0.986	1.003	1.026
53.5	0.940	0.954	0.967	0.994	1.011	1.034
54.0	0.948	0.961	0.975	1.002	1.020	1.043
54.5	0.955	0.969	0.982	1.010	1.028	1.051
55.0	0.963	0.976	0.990	1.018	1.036	1.060
55.5	0.970	0.984	0.998	1.026	1.044	1.068
56.0	0.977	0.991	1.005	1.034	1.052	1.077
56.5	0.985	0.999	1.013	1.042	1.060	1.085
57.0	0.992	1.006	1.020	1.050	1.068	1.093
57.5	0.999	1.013	1.028	1.057	1.075	1.100
58.0	1.006	1.021	1.035	1.065	1.083	1.108

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***--Test Weight and Pack Factor for Pulse Crops (Continued)**

A Whole Dry Peas and Lentils (Continued)

Test Weight	Less Than 255 Sq. Ft 18' Diameter or Less	255 Sq. Ft. to 461 Sq. Ft 21' & 24' Bins	462 Sq. Ft. to 767 Sq. Ft. 27' & 30' Bins	768 Sq. Ft. to 1384 Sq. Ft. 33' & 39' Bins	1385 Sq. Ft. to 2289 Sq. Ft. 42' & 51' Bins	Over 2290 Sq. Ft. 54' Bins & Over
58.5	1.014	1.028	1.043	1.073	1.092	1.117
59.0	1.021	1.035	1.050	1.081	1.100	1.126
59.5	1.028	1.043	1.058	1.088	1.107	1.132
60.0	1.035	1.050	1.065	1.096	1.115	1.141
60.5	1.042	1.057	1.072	1.104	1.123	1.150
61.0	1.049	1.064	1.080	1.111	1.130	1.157
61.5	1.056	1.072	1.087	1.119	1.138	1.165
62.0	1.063	1.079	1.094	1.126	1.145	1.172
62.5	1.070	1.086	1.101	1.134	1.153	1.180
63.0	1.077	1.093	1.108	1.141	1.162	1.189
63.5	1.084	1.100	1.115	1.148	1.169	1.196
64.0	1.091	1.107	1.122	1.156	1.177	1.205
64.5	1.098	1.114	1.129	1.164	1.185	1.214
65.0	1.105	1.121	1.136	1.172	1.193	1.223
65.5	1.112	1.128	1.143	1.180	1.201	1.232
66.0	1.119	1.135	1.150	1.188	1.209	1.241
66.5	1.126	1.142	1.157	1.196	1.217	1.250
67.0	1.133	1.149	1.164	1.204	1.225	1.259
67.5	1.140	1.156	1.171	1.212	1.233	1.268
68.0	1.147	1.163	1.178	1.220	1.241	1.277
68.5	1.154	1.170	1.185	1.228	1.249	1.286
69.0	1.161	1.177	1.192	1.236	1.257	1.295
69.5	1.168	1.184	1.199	1.244	1.265	1.304
70.0	1.175	1.191	1.206	1.252	1.273	1.313
70.5	1.182	1.198	1.213	1.260	1.281	1.322
71.0	1.189	1.205	1.220	1.268	1.289	1.331
71.5	1.196	1.212	1.227	1.276	1.297	1.340
72.0	1.203	1.219	1.234	1.284	1.305	1.349
72.5	1.210	1.226	1.241	1.292	1.313	1.358
73.0	1.217	1.233	1.248	1.300	1.321	1.367
73.5	1.224	1.240	1.255	1.308	1.329	1.376
74.0	1.231	1.247	1.262	1.316	1.337	1.385
74.5	1.238	1.254	1.269	1.324	1.345	1.394
75.0	1.245	1.261	1.276	1.332	1.353	1.403
75.5	1.252	1.268	1.283	1.340	1.361	1.412

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--Test Weight and Pack Factor for Pulse Crops (Continued)--

B Small Chickpeas

Use the following test weight factors to determine the measured quantity for small chickpeas.

Note: The factor equals the actual test weight divided by the standard test weight, rounded to decimal places.

Standard test weight for small chickpeas is 58 lbs. per bushel.

Actual Test Weight	Factor	Actual Test Weight	Factor	Actual Test Weight	Factor
46.0	0.8217	56.0	0.9713	66.0	1.1106
46.5	0.8294	56.5	0.9785	66.5	1.1173
47.0	0.8371	57.0	0.9857	67.0	1.1240
47.5	0.8448	57.5	0.9929	67.5	1.1306
48.0	0.8524	58.0	1.0000	68.0	1.1372
48.5	0.8600	58.5	1.0071	68.5	1.1438
49.0	0.8676	59.0	1.0142	69.0	1.1504
49.5	0.8752	59.5	1.0212	69.5	1.1569
50.0	0.8828	60.0	1.0283	70.0	1.1634
50.5	0.8903	60.5	1.0353	70.5	1.1699
51.0	0.8978	61.0	1.0423	71.0	1.1764
51.5	0.9052	61.5	1.0492	71.5	1.1828
52.0	0.9127	62.0	1.0561	72.0	1.1892
52.5	0.9201	62.5	1.0630	72.5	1.1956
53.0	0.9275	63.0	1.0699	73.0	1.2020
53.5	0.9349	63.5	1.0768	73.5	1.2083
54.0	0.9422	64.0	1.0836	74.0	1.2146
54.5	0.9495	64.5	1.0904	74.5	1.2209
55.0	0.9568	65.0	1.0972	75.0	1.2272
55.5	0.9641	65.5	1.1039	75.5	1.2334

